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**Column One**  
**David Courtenay**

THIS Greek sea is difficult. Forty per cent of the national budget goes to defense and the annual deficit in the balance of payments has run to as much as \$200m. American aid has been cut down to about \$5m. a year and is likely to stay around that figure. The Government of Gen. Plastiras is none too secure and could be put out by the defection of eight Left-wing deputies whose loyalty is based on nothing better than the fact that the only alternative is a government under the leadership of Gen. Papagos.

THIS trouble with Greece is the trouble with all but two or three of the Atlantic Treaty members: heavy defense expenditures leave too little over for the normal functions of the national economy. The strain is at the same time financial and social. There has been serious talk, therefore, of cutting defense costs and reducing the period of compulsory training by six months. Field Marshal Montgomery arrived in Athens on Saturday and has been discussing the matter with political and military leaders.

BY taking on the responsibility of NATO membership Greece has become formally part of a powerful alliance; but at the same time has added to her immediate insecurity. Any act in any part of Europe, by which the NATO alliance was brought into military action, would immediately bring the enemy to Greece's frontiers. The understanding with Yugoslavia, which, according to the statement of the leader of the Yugoslav National Assembly delegation to Athens last month, would develop into an alliance "in case either country faced aggression," represents, for Greece, an additional serious responsibility. Each new commitment creates the desire for further commitments. It is a process of military rearmament. And out of this desire, presumably, has come Greek pressure, via Washington, for a place in the newly-proposed Middle East Defense Organization.

IT may seem a little difficult to reconcile this deliberate extension of military responsibility with a tendency to reduce national defense expenditures and a wish to stop off six months from the period of compulsory military service. But that is what is happening in many of the West European countries as well. The result, at present, is an interlocking security system from the Atlantic to the Bosphorus, which is based on declining economies and the capacity of the U.S. to take up the slack; and this means, for the long run, that the system is, in effect, dependent on the U.S. Greece, no less than France, needs more American aid if it is to keep up its defense programme.

BUT there is a limit beyond which the Americans cannot be expected to pour out arms and dollars. That limit has probably been reached. Some other system would seem to be needed: perhaps an extension of these functions of NATO which are concerned with the problem of the costs of security. Better still, of course, would be a serious effort to reduce international strain and so lower the level of armament security now thought necessary.

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## Soviet Checks Threaten New Berlin Crisis

BERLIN, Sunday (Reuter). — Six hundred West Berlin road transport companies which supply the Western sectors decided to cease operating at midnight next Tuesday.

## U.S. of Europe Parley Today

LONDON, Sunday (Reuter). — British Foreign Secretary Anthony Eden has gone to Strasbourg to attend meetings of the Committee of the Council of Europe opening tomorrow (Monday). He will also pay a short visit to Yugoslavia, where he will meet for the first time with Marshal Tito, and to Austria before flying back to London on September 28.

## Joint War Games Planned for Thrace

By GEORGE LICHTHEIM, POST Correspondent

LONDON, Sunday. — Joint Greek-Turkish-Yugoslav defense manoeuvres in Northern Greece and Thrace are being planned, following the current visit to Athens and Ankara of a Yugoslav Military Mission. It is understood here that the Mission, which is arriving in Athens tomorrow, will also meet Viscount Montgomery, who came yesterday to discuss defense problems, following the Greek Government's tentative decision to reduce military service from 20 months to two years.

The Field Marshal represents General Ridgway on this occasion, and his presence in Athens is unlikely to be affected by the cool British reaction to a Greek request for membership in the Middle East Defence group. Observers here wonder, nonetheless, how the Greeks will combine this request with their new-found readiness to cooperate with the Yugoslavs, who are currently indulging in a public quarrel with Italy over Trieste.

The only indication hitherto is a semi-official Greek statement that questions affecting Italy will not be discussed with the Yugoslavs. The latter will visit Greek military installations and will discuss the establishment of a Balkan liaison office, and thereafter will proceed to Ankara for similar talks.

**Thrace Week Link**  
Thrace is now described here as the weakest link in the Balkan defense chain and much is made of the importance of Yugoslav cooperation with Greece and Turkey — so much so, that Mr. Eden's forthcoming visit to Belgrade is giving Rome the jitters. The Italians have now re-opened themselves by heartily backing the French scheme for an immediate European Federation, which is described here as a policy veiled rebuff to the British Foreign Minister.

**Montgomery Awarded Greek Grand Cross**  
ATHENS, Sunday (Reuter). — Field Marshal Montgomery was presented by King Paul of Greece today with the insignia of the Grand Cross of the Order of George I.

## Production Up in East, Down in West Europe

GENEVA, Sunday (Reuter). — Production is rising in East European countries and falling off in nearly all the big West European industrial nations according to the latest quarterly bulletin of the Economic Commission for Europe which was published yesterday.

Output in East European countries averaged about 20 per cent more during the first quarter of 1951, as compared to a similar period in 1950.

Shortages were noted, however, despite the fact that higher production filled overall demand. The areas of non-fulfillment were mainly in the basic industries: hard coal, pig iron and steel in Czechoslovakia, fertilizers in Poland and East Germany; and heavy machinery in Czechoslovakia, East Germany and Hungary.

(W. Europe Trade, — P. 1, Col. 3)

## Arab League Elects Its New Secretary

LONDON, Sunday (Reuter). — Cairo Radio tonight reported that the Arab League Council meeting in Cairo today accepted the resignation of the League's Secretary General Abdel Rahman Azzam and elected Abdel Khalek Hassuna (a former Egyptian foreign minister) as his successor.

The Council thanked Abdel Rahman Azzam "for his devotion and efforts."

## Father from Sweden Sees Son Die of Polio, Dies Himself

HAIFA, Sunday. — Less than two days after he saw his 20-year-old son die in the Schweitzer Hospital in Tiberias from infantile paralysis, Mr. V. Holberg, of Stockholm, himself passed away in the same hospital from a cerebral hemorrhage early this morning.

Learning that his son, Sven Leonard, an exchange student at the Technion, had been taken ill with polio, Mr. Holberg boarded an S.A.S. plane and was here in 24 hours. Special medicines were ordered in Italy by the Swedish

## Tito Renews Offer On Trieste

BELOGRADE, Sunday (Reuter). — Marshal Tito today renewed his recent proposal that Trieste be called by the people of the region in a referendum. He said that the people of the region would be asked to vote on the subject of Trieste's future.

## TEMPORARY CABINET FORMED IN LEBANON

BEIRUT, Sunday. — Premier designate Saeb Salam formed a temporary Cabinet early today, to succeed the three-man provisional Government of Nazim Akkar, formed last week after the resignation of Sami Solh's Government.

Salam holds the portfolios of the Interior, Foreign Affairs, Information, National Defense and Agriculture. Basil Tradi was named Deputy Prime Minister and Minister of Health, Economy, Public works and Education. Mousa Moharik is the new Minister of Justice, Finance, Social Affairs, Post and Telegraph and Telephones.

In anticipation of the general strike for Monday and Tuesday, a communiqué issued by the Ministry of the Interior yesterday declared that any manifestation liable to disturb the public order or freedom of work shall be severely repressed. (AP, AFP)

## Iran to Do Without Oil Income, Mossadegh

TEHRAN, Sunday. — Premier Mohammad Mossadegh told the Shah today that no solution to the oil deadlock with Britain would be in sight. He said that Iran would have to do without oil income from oil, informed sources said here today.

Premier Mossadegh, in a three-hour audience, said it was "impossible according to the nationalization laws" to accept the oil proposals made recently by President Harry Truman and Prime Minister Winston Churchill.

Meanwhile, German financial expert Hjalmar Schacht left by plane for Germany. Before leaving he said he had not yet submitted his report on Iran's financial position, but he would do so after he returned home. He added that Iran's banknote coverage was the "best in the world."

Religious leader and Mulla Khomeini, who returned by plane today from a trip to neighboring Arab countries, said he was given a great ovation at the airport through his immediate and personal contacts.

Khomeini said he prayed "for freedom from foreign interference in the affairs of Iran." He informed sources said Khomeini has no political ambitions abroad.

## Arab Stand at U.N. May Be Modified

UNITED NATIONS, Sunday (AFP). — The decision of the six Arab U.N. member states to support the manner in which the Palestine question is to be presented on the agenda of the forthcoming U.N. General Assembly meeting is reportedly due to direct intervention by the Arab League.

According to sources close to the Arab League, the action of the Arab League is the Egyptian delegation, Fawzi el Farouki, has received directions from Cairo requiring the problem to be framed in very general terms simply mentioning an "inquiry into the activities of the Commission for Palestine in the light of the General Assembly resolutions."

The Arab League reportedly opposes a resumption of the debate on the status of Jerusalem, a possibility likely to arise if this point is explicitly raised in the enumeration of Palestine problems in conformity with the wishes of the Syrian delegation.

## Owners Balk at Signing C-o-L

TEL AVIV, Sunday. — The Board of the Manufacturers Association decided tonight to appeal to the Government to postpone signing the Cost-of-Living allowance agreement from September 16 to December 16.

The Board said the £4,400 allowance which would be added in wages under the agreement would increase the inflationary trend in the country. It was a matter of "national expediency" not to sign, it was said.

## Histadrut Stands Firm

The Histadrut said tonight that it would insist that the agreement be signed on Tuesday. It was said that the agreement would be signed on Tuesday.

## Government Decides On Reparations Company

Sharett: Material Recompense Use Exclusively For Not Enough to Bridge Abyss 4-Pt. Development

Jerusalem POST Reports

A Government-owned company will be set up to carry out the reparations agreement with Germany, the Cabinet decided at its weekly meeting in Jerusalem yesterday. Announcing that the composition of the company would be decided at the next Cabinet meeting either this week or next, the Government spokesman emphasized that the reparations proceeds would be used exclusively for development in four fields and would not be "eaten up" in consumers' goods.

Noting the Government decision that the monies would be used to expand agriculture, industry, communications and power, the spokesman added that this did not rule out purchase of fuel, which would be sold on the local market, as the counterpart funds accruing would then be assigned to development projects.

The Government company, similar in ownership to Mekorot Tiersel (Israel Quarries Ltd.), will probably be attached to the Ministry of Finance and will decide on the detailed expenditure of the funds. It will have a Board of Directors of representatives of the Government, the Jewish Agency and public economic bodies and a management committee and a purchasing mission in Germany.

A committee, consisting of Ministers Levi Eshkol, Pinhas Laven and Moshe Shapira, is to draw up detailed plans for the company's establishment and will report back to the Cabinet's next meeting. A ministerial committee will then be formed to assume responsibility for carrying out the Reparations Agreement.

The Cabinet also appointed Mr. Israel Koshik, Government Fuel Adviser, as Oil Controller in accordance with the Petroleum Law. He will be responsible to the Minister of Finance. A nine-member advisory council will consist of the following: Messrs. P. Sapir, Chairman; M. Comay, H. Gvati and Y. Eyal, all of the Government, while the public members will be: Messrs Y. Gurion, I. Dostrowsky, Y. Nechama, Yitzhak Rokach and S. Kirschbaum.

## Cabinet Announces The Cabinet communiqué

At its weekly meeting yesterday, the Cabinet decided that the reparations agreement with Germany would be used for the development of agriculture, industry, transportation and a power plant. The reparations proceeds would be used exclusively for development in four fields and would not be "eaten up" in consumers' goods.

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## Reparations May Boost Investment—AMPAL Head

TEL AVIV, Sunday. — Mr. Avraham Dickstein, President of AMPAL (American-Palestine Trading Corporation), said that he was certain the signing of the reparations agreement with Germany would boost the amount of dollars likely to be invested by Americans in Israel.

Mr. Dickstein held a press conference here today after sending his brief visit to Israel, during which he had signed a contract with the Mekorot

## Obstacles Still Ahead

It must therefore be clear, Mr. Sharett insisted, that these reparations would not remove the grave obstacles at present in our way. This should be clear to the mind of Israel and to all those abroad who wished them well, Israel's

## Israel Gets Isotopes

LONDON, Sunday (INA). — Isotopes have been sent by Britain's atomic research establishment at Harwell, to Israel, Egypt and the Lebanon, according to a Ministry of Supply announcement.

Israel and Egypt have also sent scientists to the British Isotope School at Harwell.

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